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Spotlight

ON FOREIGN MARKETING

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TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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FOUR-POINTS TO REMEMBER IN MARKET DEVELOPMENT WORK.

1. The expansion of U. S. farm products requires an expansion of the total foreign market. It serves no useful purpose to divert the products of a competitor out of one foreign market, and be displaced by those same products in another foreign market.
2. Protectionism for agriculture in importing countries is increasingly limited by consumer demands for prices in line with those available elsewhere. In many developed countries, there is diminishing public support for public subsidy to maintain uneconomic agricultural production. These developments encourage exports of U. S. farm products.
3. Public relations that create a favorable attitude toward U. S. farm products and U. S. traders is an essential element of marketing farm products abroad. This means visiting buyers of our products and encouraging a favorable press.
4. Those who promote U. S. farm products in foreign markets must know their products, the channels of trade and trade practices and be able to assist those who buy U. S. farm products to profit from the trade.

SECRETARY BENSON'S COMMENTS ON WORLD TRIP should serve as guideposts for future market development activities.

1. "It was apparent to me that many of the nations we visited are making substantial progress in strengthening their economies. This is a factor of great importance in future foreign demand for our agricultural products."
2. "In several countries where the greatest progress has been made, and industrialization is on a high level, there are encouraging market opportunities for dollar sales of our farm products. At every opportunity we stressed that the best interest of our country and that of the Free World lies in preserving and strengthening normal commercial trade."
3. "The natural flow of our farm products abroad for cash will always be an important element in the income of the American farmer. Our best salesmen are the importers, processors, and consumers abroad who rely upon our standards of quality, continuous availability of product, and the banking and other services we can provide. We are helping to strengthen the future demand for American farm products through specific market-development activities, using many of the merchandising techniques that have been so successful here at home."
4. "As everyone knows, we have very large supplies of most all the basic agricultural products and our production again this year has been very large. We shall continue to do everything practicable to prevent these supplies from disrupting world markets and depressing prices to farmers at home and abroad."

HOLLAND BUYS U. S. POULTRY. The Netherlands Government has relieved restrictions on the importation of U. S. poultry and poultry products. The first shipment of poultry is on its way and will arrive in time for the Christmas Holidays. The relieving of the Dutch trade barrier against U. S. poultry is due, in part, to a successful poultry demonstration held last June and successful negotiations between the Dutch and U. S. poultry industries and the Office of the Agricultural Attache.

GERMANY HAS ISSUED ITS FIRST DOLLAR TENDER FOR U. S. POULTRY. To meet demands for Christmas buying, \$250,000 worth of poultry has been shipped.

U. S. BURLEY TOBACCO MARKETS OPEN. Except for the Christmas Holidays, the markets will remain open until early January.

Trade reports indicate that there will be a more adequate supply of export-type grades of Burley than was available at the 1956 sales.

Burley is noted for its ability to absorb sweetening and flavoring sauces, thereby making an excellent blender in cigarettes and smoking tobaccos.

MORE U. S. LIVESTOCK TO PERU. Their latest purchase includes 60 Rambouillet lambs, 39 Corriedale lambs and two Hereford bull calves. This is the second importation of U. S. sheep to this country since the first FAS market development project was started in Peru last spring.

THE NEW MILK RECOMBINING PLANT IN BANGKOK, THAILAND, is making steady progress. At the present rate of production 300,000 lbs. of nonfat dry milk solids and 100,000 lbs. of anhydrous milk fat will be required annually. Both items are from U. S.

JAPANESE TRADE CENTER OPENS IN SAN FRANCISCO. The Japan External Trade Recovery Organization has opened a showcase for its manufactured products which rivals all foreign trade centers on the Pacific Coast. The center has a 70-foot-long exhibition hall, 1,200 square feet of display space, and 1,300 square feet of storage space and offices. The permanent exhibit of Japanese goods is expected to boost the dollar value of that country's imports to the U. S.

EUROPE'S MECHANIZED BAKERIES REQUIRING BETTER WHEAT. Some European bakeries are installing modern, high-speed bakery equipment. This equipment, in turn, will call for a better quality of wheat, not grown in the area. As this modernization program grows there should be an expanding market for high quality U. S. Hard-Red-Winter Wheat.

This trend in the European market was reported recently by a U. S. wheat team which toured the area this fall.

SEVEN MINUTES FOR MILK. According to U. S. News and World Report, an American factory worker has to work only seven minutes to buy a quart of milk, while his Russian counterpart must work 35 minutes. To buy a pound of butter an American must work 21 minutes and the Russian three hours and 23 minutes.

COMMODITY ROUNDUP.

Cotton -- CCC currently has about 5 million bales of upland cotton in its inventory. About 3.7 million bales are 1956-crop cotton acquired when loans matured in July 1957. This 1956 cotton is now being added to the CCC catalog, out of which buyers purchase cotton.

There has also been a change in sales dates of CCC cotton. Sales for unrestricted use were made on November 25 and will be made on December 16, January 6 and January 27, February 17 and thereafter on every other Monday. Sales of upland cotton for export only will be made on December 3, December 24, January 14, February 4, February 18, and thereafter on every other Tuesday.

Corn -- Sales of corn for export continued at a high level with over 7.8 million bushels having been sold during the week November 18-22. During this same period close to 3 million bushels of barley were sold, divided equally between Portland, Dallas and Chicago.

On November 26, CCC announced that out-of-condition Commodity Credit Corporation-owned corn will be sold only by Commodity Stabilization Service Commodity Offices, with sales by local Agricultural Stabilization and Conservation (ASC) offices discontinued.

Corn grading No. 3, 4, or 5 will be sold on a competitive bid basis for export, and sample grade corn or weevily corn will be sold for unrestricted use at a negotiated price.

Wool -- About 1.2 million pounds of wool were sold during the week November 18-22 and it is hoped that CCC's remaining investing will be liquidated during December.

CCC MONTHLY SALES LIST FOR DECEMBER 1957 includes the following commodities: Butter, nonfat dry milk, cheddar cheese, wool, cotton (upland and extra long staple), peanuts, corn, wheat, oats, barley, rye, grain sorghums, soybeans, flaxseed, rice (rough and milled), gum rosin, and gum turpentine.

Main changes in the list this month are the discontinuation of binsite sales of nonstorable corn by ASC county offices; the dropping of the fixed minimum price in competitive bid sales of flaxseed; and a shift to a new crop (1957) basis for minimum pricing of soybeans.

Interest rates per annum under the CCC deferred payment program for December 1957 are 4-1/2 percent for periods up to six months. 5 percent for periods from over six and up to 18 months, and 5-1/2 percent for periods from over 18 months up to a maximum of 36 months.

FLORIDA BECOMING MORE EXPORT MINDED. Last season (through November 5) Florida had exported 189,211 standard boxes of fresh oranges and grapefruit. For the current season the comparable figure is 357,531 boxes. In keeping with this trend, Florida producers recently voted to amend their Federal marketing agreement and order program to authorize grade, size, condition and container regulations for fruit exported to destinations other than Canada and Mexico. Object of this action is to improve the quality of fruit moving to offshore markets. The amendment became effective December 2, 1957.

TABLE 1, GUIDE TO COMMERCIAL SALES

Commodity	Unit	Grade, Type or Variety	Location	Latest Price week of 11/22/57	Price Year Earlier
Wheat 1/	Bushel	#2 H. W.	Galveston	\$2.35-2.45	\$2.50-2.56
"	"	#1 S. W.	Portland	2.33	2.36-2.37
"	"	#2 S. R. W. Vessel	Baltimore	2.31	2.63
Beans	100#	Pinto	Gulf, FAS	7.35-7.45	--
Dry Peas	"	#1 Alaska	W. Coast, FAS	4.60-4.70	--
Cottonseed Oil	Pound	B. P. S. Y.	Dec. Fut. N. Y.	.1671-.1675	.1645
Soybean Oil	"	Refined	New York	.15	.1662
Cottonseed Oil	"	Crude	Valley	.1425 Nom.	.14-.1425
Soybean Oil	"	Crude	Decatur, Ill.	.1175	.14-.1412
Linseed Oil	"	Raw	Minneapolis	.1480	.1370
Soybeans	Bushel	#1	Chicago	2.32	2.58
Lard	Pound	Refined 50# tin	Chicago	.1350	.1525
Tallow	"	Prime Inedible	Chicago-FOB	.07875	.0700
Greases	"	Choice White	"	.0900	.0825
Cottonseed Meal	Sh. Tn.	41% Bagged	Memphis	54.00	57.50
Soybean Meal	" "	44% Bagged	Decatur	50.00	51.50
Milk, Evap.	Case	48-14 1/2 oz.	Pac. Cst. Mkts.	5.95-6.60	5.80-6.30
Eggs, Shell	Doz. Med.	Mixed colors	New York	.420-.430	.285-.295
" Dried	Pound	Whole	" "	1.25-1.31	1.00-1.16
Beef Trimmings	"	75-85% lean froz.	Chicago	.3050	.2225
Beef Hearts	"	Regular frozen	"	.1750	.1150
Beef Livers	"	" "	"	.1600	.1325
Pork Trimmings	"	" "	"	.1800	.1400
Chicken, R. C.	"	Gr. A Broilers	New York	.280-.320	.290-.330
Turkey, R. C.	"	Gr. A Beltsville	" "	.375-.385	.350-.370
Canned Apricots	Doz. #2-1/2	Choice Halves	FOB-Calif.	3.075	3.00-3.15
" Peaches	Doz. #2-1/2	" "	" "	2.40	2.60-2.70
" Pears	Doz. #2-1/2	" "	" "	3.30	3.50-3.60
Oranges, Fresh	Std. Ctn.	Size 163 Valencia	" "	2.52	--
Lemons, Fresh	" "	" "	" "	2.98	3.07
Raisins	Lb. Bulk	Natl. Thompson	FAS-Calif.	1.75	1.25

1/ Domestic sales price. Export sales subject to IWA or CCC subsidy.

TABLE II, C. C. C. PORT PRICES FOR EXPORT

Commodity	Unit	Grade, Type or Variety	Port Location	Latest Prices	Date of Sales 1957
Cotton	Pound	Upland	Any U. S. port and storage location	\$.2781	Nov. 11 - 15
Corn	Bushel	No. 2 Yellow	Atlantic track Gulf track Laredo	1.22-3/4 - 1.24 1.18-3/4 - 1.20 1.35-1/4 - 1.36-1/2	"
Grain Sorghum	Cwt.	No. 2 Yellow Milo	FOB-Gulf Laredo	1.90-1/8 - 1.90-1/4 1.93 - 1.94	"
Barley	Bushel	No. 3 & 4	FOB Vessel Gulf, Atlantic & N. W. Ports. Pacific	.88-3/4 - .89-1/4 .91-1/8	"
Oats	"	No. 3 Heavy & No. 5 Red	FOB-Gulf	.51-1/8	"
Rice	Cwt.	Milled	Gulf	6.07 - 7.00	"
Peanuts	Pound	Farmers Stock	Gulf	.08	"
Butter	"	"	Any U. S. Port	.39 (fixed)	"
Milk	"	Spray	Any U. S. Port	.099 (fixed)	"

POTATOES AND ONIONS FOR EXPORT

Table Potatoes

Potatoes are grown in every state in the U. S. They are harvested in some area each month of the year, but the bulk of the crop is grown in concentrated commercial areas. The principal varieties for export are; Katahdin, Russet Burbank or Netted Gem, and White Rose.

Katahdins are available for export from August through early winter from Long Island, New York and from Aroostook County, Maine, from mid-October through the following April. The inland freight to New York and to Searsport, Me. is about 25 to 30 cents per cwt. Ships do not usually call at Searsport, so a minimum order of 1,000 to 2,000 tons would be required. Shipment of Maine potatoes may be made from other ports, but the inland freight would be about 40 to 70 cents a cwt. dependent on the port.

White Rose potatoes may be exported from Kern County, California during May and June, with inland freight to Los Angeles or San Francisco of about 35 cents a cwt. These early potatoes have been successfully exported to New Zealand. White Rose are available in the Pacific Northwest during July through November, but Russet Burbank is the principal winter variety with availability September through April. Cold storage potatoes can be exported as late as June. Northwest potatoes could be shipped to a Pacific Coast port for 50 to 80 cents per cwt.

Export potatoes are packaged in 100-pound new burlap sacks. The Department of Defense developed a 100-pound wirebound crate similar to the citrus Bruce box, but it unnecessarily adds 75 cents to \$1.00 per cwt. and delays shipment.

Seed Potatoes

Most seed potatoes are grown in Aroostook County, the Red River Valley, and the Pacific Northwest. Seed potatoes are certified by a state seed certifying agency. Maine specializes in the round white varieties such as Katahdin, Kennebec, Cobbler, and Green Mountain. The Red River Valley grows Pontiac, Red Pontiac, Bliss Triumph, etc. Principal varieties on the Pacific Coast are White Rose and Russet Burbank. (Those interested in an estimate of the certified seed acreage by variety grown in each state may request same from the FAS Fruit and Vegetable Division).

There is a very limited amount of foundation seed which is the highest in quality and price. These potatoes are generally used by the best seed growers and then the increase is sold to other growers to improve their regular certified seed. There is a large volume - 25-30 mil. cwt. - of certified seed produced each year. With the availability of new insecticides and fungicides after the war, the cost of producing seed was reduced. For most varieties the sales price for seed is only

a small premium over table potatoes and this is mostly on a special size basis such as 1-1/2 to 2-1/2 inches in diameter. Buying seed purely on a price basis, is not the best practice. It is generally best to buy seed from the specialized growers, even though the price may be a little higher. Seed are available during the same periods as table potatoes.

Onions

Onion production follows somewhat the same pattern as potatoes. The earliest crop is harvested during April to June in Texas and Southern California. Summer onions are available in the Stockton California area and New Jersey. Harvest ends in September or October in New York, Michigan, Wisconsin, and the Pacific Northwest with shipment through February. Spring and summer onions would require special handling and refrigeration to assure sound delivery.

Bermuda or Babosa types are grown in the southern spring areas; yellow globe types in eastern areas; and yellow Danvers and Sweet Spanish in the west. Sweet Spanish must be shipped by December.

The principal package is the 50-lb. open mesh sack. Wooden crates containing 50-lbs. could be used at an extra cost, but such packages are not generally necessary. Inland freight is as about as follows: to Brownsville, Texas, 20 to 40 cents; New York and Michigan, 40 to 80 cents; and from the western states 25 to 80 cents per cwt. depending on the point of origin and port.

General

For both potatoes and onions it is recommended that purchases be made on the basis of U. S. grades, with the lots to be accompanied by an official inspection certificate, determined at the port or within a few days of the actual loading time. Only officially certified seed potatoes are recognized as seed. Each package bears an official tag of the certifying agency. Usually the blue tag seed have fewer grade defects and for that reason they will stand a longer shipment.

Both table stock potatoes and onions are inspected by either Federal-State or Federal Inspectors and they are available in the production areas and at the principal ports. The contracted grades should be based on U. S. Standards or modifications thereof. Most potatoes grade U. S. No. 1 with additional size specifications such as 2 inch minimum. Also, onions are graded U. S. No. 1 with size specifications, but some are sold on a percentage of U. S. No. 1. Sizes for yellow globes are generally 70-80 percent 2'inch and larger and Sweet Spanish Medium (2 to 3 inches in diameter) and Jumbo (3 inches and larger)